

CLASSIFICATION ~~SECRET~~

SECURITY INFORMATION

25X1X

REPORT NO.

CD NO.

DATE DISTR. 1 August 1952

NO. OF PAGES 6

NO. OF ENCLS. 1
(LISTED BELOW)

DO NOT CIRCULATE

25X1X

REF ID: A66321 COPY

1. The factory of the Foundry Trust occupies an area about 2 x 3 km. It is surrounded by a fence 2.3 m. high, which is watched from guard posts and is illuminated at night by searchlights.
2. The factory consists of eight large buildings; in three of them are the large smelting furnaces, one is a grinding mill, in one is the rough rolling mill, in another the fine rolling mill, and two are occupied by Martin furnaces. Another building is the office and laboratory, and there is a shop building.
3. Six other large structures are under construction, two of them for forges, the other four for smelting and Martin furnaces.
4. It is frequently heard that Sztalinváros will be erected into the third largest iron works in Europe, surpassed only by Essen and Krivoi Rog, and this goal will be reached by 1954. The Sztalinváros works was carried far enough by 1 May 1952, to assure a yearly consumption of 1.5 million tons of iron ore. This is to be brought up to a consumption of 3 million tons by 1 May 1953.
5. The production of the six big smelting furnaces was fixed at 6,000 tons for January 1952 and 7,000 tons for February 1952. The January figure was surpassed by 12 percent. Sixty percent of the products of the smelting furnaces go to the Martin furnaces to be converted into steel by the addition of scrap and alloy materials. The monthly production of steel is 4,500 to 5,000 tons.
6. The remainder of the pig iron from the smelting furnaces goes to the rolling mills for working into plates. In the large rolling mill there are three rolling strips which work the metal to a thickness of 100 to 110 mm. In the fine rolling mill

CLASSIFICATION

SECRET

25X1

[illegible]

25X1

25X1X

SECRET

-2-

there are two rolling strips which roll the metal down from 10 mm. to 0.5 mm. The rolling mills have a monthly capacity of 800 tons and 500 tons respectively.

7. Raw iron as well as heavy and thin plates are carried southward to Bulgaria and Rumania by ship, and northward to Budapest and Bratislava, also by water.
8. The number of laborers is about 20,000 at present, and it is to be elevated to 40,000 with the completion of the additions. The number of highly skilled workers is about 7,000. There is a shortage of such workers and some have been brought in from Diósgyőr, Csepel, and Ózd. There are also many young apprentice workers, who spend 18 months in learning the business before being taken on in a "helper" status.
9. The work goes on in three shifts, shifts changing at 6:00 a.m., 2:00 p.m., and 10:00 p.m. The population of Szécheny is about 35,000, practically all of them workers; non-working members of families are not counted. Married women generally work, the children being cared for in schools or kindergartens.
10. There is an office building for the Szécheny works in the town at Tanácsos Mihály utca 8, a three-storied building as most of them are.
11. The general director, József Herzog, was dismissed in February, probably for corruption, although informant was not certain of the reason. The plant has an engineer named Béla Dési, a Party member, but not a violent Communist, and a master moulder named Balázs Kis, who is a candidate for the MKP.
12. Informant says there is much discussion of building an additional complex of installations, in which steel and rolled products will be converted to finished and semi-finished goods.
13. Electrical Trust (Áramfejlesztő Trust): The plant of the Electrical Trust is also behind a wire fence and is closely guarded. It occupies a space 600 x 800 meters in area. It is operated by turbines and the coal is brought from Pécs, Kékes and Vasas. It is carried to the plant in large trucks from the railroad station. The work force is about 1,000, including those who handle the coal. The factory has a force of 30 large trucks, automatically loaded. A spur track from the railroad station is under construction.
14. The Communications net around Szécheny: The Budapest-Mohács road is concrete throughout its entire length, and generally follows the old trace. All local roads are being connected up so that buses can carry workers from Pécs, Dunaújváros, Adony, etc. The main Budapest-Adony road will be carried on to Szécheny during the summer of 1952. The former local road Adony-Szabolcs to Pécs is being raised into a first class highway and lengthened through Szekszárd, Bátaszék to Mohács.
15. As shown in the attached sketch map, a completely new railroad station was built for Szécheny in 1951. There are now seven tracks there, and five more are under construction. The length of the station is 1,200 m. and it uses English type signal stations. Near the station are four car scales with automatic coal handling machinery, cranes and a coal depot. There are 6 cranes, servicing two sidings, with a capacity of 150 tons.

SECRET

25X1

25X1

SECRET/

-3-

16. The roundhouse has three switch engines of model 326, four of model 324 and four of 424.
17. Three passenger trains go through Szabolcsvárás daily in each direction, one set of these being for workers only. There are also three fast trains that come from Budapest early every day, returning in the late afternoon. These trains make no stops en route. Eight or ten freight trains come to Szabolcsvárás daily, each with 60 to 100 axles. From the south they bring coal, coke, limestone, iron alloy materials, cement, and scrap iron from Budapest.
18. However, most of the traffic reaches Szabolcsvárás by ship. Daily, two tugs with four barges each arrive, each laden with 1,000 tons of iron ore. The barges are loaded in the Krivoi Rog area and reach the Black Sea by the Danube, reaching Szabolcsvárás by the Danube. Coastal steamers also come by the same route, usually towing two of the barges. Most of this shipping is Russian, but there are also some Romanian and Bulgarian craft, as well as those of the Hungarian-Soviet Meszhart. The harbor installations are temporary, and permit the simultaneous unloading of six ships. The new harbor installation on Szalki Sziget Island will permit the handling of 10 to 12 ships.
19. The iron ore stock pile will permit the factory to work for two months at a normal rate of production. This is to take care of the winter months, when Danube traffic stops. The two month stock pile figure was not reached in February 1952, but it is expected to be attained this fall.
20. From the north, coke comes from Czechoslovakia and Budapest, as well as building materials. The temporary harbor and the smelting works are connected by a narrow gauge freight line.
21. Informant worked for the Underground Construction Trust (Mélyépítő Trüsz). This trust constructed the harbor installations at Szalki Sziget, the water system of the town and eight atom proof bunkers. Other buildings were constructed by the Above Ground Construction Trust.
22. The head of the Underground Construction Trust is Ferencz Juhász, a decided Communist. The technical director is Géza Sas, a former foreman, as violent a Communist as the director. The technical head of the workers is an engineer named Hajdu (Jim). The president of the factory council is Lajos Kerner. The Party secretary is Béla Fábán.
23. The Underground Construction Trust has 800 to 900 workers, 20 percent of whom are women, who work either at subsidiary tasks or in the kitchens. The number of skilled laborers is about 300.
24. The Trust has prepared seven wells on Szalki Sziget for use and during the summer of 1952 it will sink three more. These installations will supply the water needs of 85,000 inhabitants.
25. The harbor installation at Szalki Sziget is being completed by a causeway 20 m. in breadth connecting with the bank, while the whole island is surrounded by a stone wall. This work was 80 percent completed in February 1952. Next to this wall, the Danube is being dredged to a depth of 9 m. Nine fixed and five mobile cranes, each with a capacity of 100 tons, are being installed. Iron ore and coal are to be unloaded by means of six endless belt conveyors, which will drop the material directly into freight cars or trucks.

SECRET/

25X1

SECRET/ [] []

-4-

26. The atom proof bunkers can each hold 1,000 persons. They are 8 to 10 m. under-ground and have concrete roofs 120 to 150 cm. thick; ramps as well as stairs lead to them.
27. There are no AVH guards at the plant, but a special plant guard works closely with the AVH. The AVH representative is 1st Lieut. Béla Kraus. The plant guard consists of 100 men, and is charged with the security of the whole installation, including the harbor. The plant guard also connects with a State Police unit which has charge of guarding against industrial sabotage and espionage. The State Police unit has 300 men, of whom 120 are constantly on duty. The head is 1st Lieut. Sándor Vincze.
28. No Russians in uniform have been observed at any time, but in the Szatalin utca there is a building occupied by the Russian commercial officials. There are a number of these and the captains of all Russian ships arriving are required to report with their papers. Russian engineers who have come to study the project are at the same place.
29. A barracks is being built, as shown by the sketch map. At present, it is occupied only by a labor battalion of the People's Army, but it is probable that an anti-aircraft unit will be installed.
30. Annex. Ships arriving at Szatalinváros in typical periods:
 - a. 2 December 1951: MOHACS, tug with three barges from the north, laden with cement, reinforcing rods and brick.
GYÖR, tug with three barges of 600 tons each, laden with scrap iron.
PYCE, Bulgarian tug with two 1,000 ton barges, with iron ore from the south.
 - b. 3 December: A Russian river and sea-going tug with two 1,000 ton barges, with iron ore from the south.
KALOCSA, tug with two barges laden with limestone, one barge laden with wooden beams from the north.
 - c. 4 December: A Romanian tug with two barges, laden with iron ore from the south.
 - d. 5 December: Russian tug No. 0.2780, with two barges laden with iron ore from the south.
BALADAS, tug from the north with two barges, one laden with firebrick, the other with building iron and machinery.
 - e. 6 December: JIOM, Bulgarian tug and TURNU SEVERIN, Romanian tug, each with two barges with iron ore from the south.
REKE, tug with two barges, laden with aluminum plates for building and limestone.
 - f. 7 December: SZATALIN MARSALL, new Hungarian river and seagoing tug with two barges (Nos. 507 and 512) from the south.
A Russian tug with two 1,000 ton barges from the south, with iron ore.

SECRET/ []

25X1

SECRET/

-5-

- g. 8 December: GERO ERNO, new Hungarian tug with two barges from the south, with iron ore.
- MOHACS, with two barges from the south, with iron ore.
- LEBEL, with three barges from the north, laden with coke.
- h. 27 January 1952: KOMARNO, Czech tug from the north with one barge of coke, and one barge of machinery.
- i. 28 January 1952: ALMUTPOB, Bulgarian tug with two barges of iron ore, from the south.
- GYOR, with two barges of iron ore from the south.
- ANA PAUKER, Romanian tug with two barges of iron ore from the south.
- j. 29 January: Two Russian steamers, each towing two barges from the south with iron ore.
- TOROTOM, with three barges of mixed building materials.
- k. 30 January: VOROSHILOV, Hungarian tug with two barges of iron ore from the south.
- BUCARESTI, Romanian tug with two barges of iron ore from the south.
- ✓ A Czech ship towing three barges with scrap iron.
- l. 31 January: A total of four Russian barges from the south with iron ore.
- m. 1 February: MIBAIL EMINESCU, Romanian tug and RUDA, Hungarian tug from the south with four barges of iron ore.
- HUNOR, Hungarian tug from the north with three barges, one with manganese ore, the others with scrap iron.
- n. 2 February: A Bulgarian tug from the south with two barges of iron ore.
- MANYAR, Hungarian tug from the north with one barge of limestone and one of coke.
- o. 3 February: OLIVU, Romanian tug, and a Russian tug; both from the south, each with two barges of iron ore.
- p. 4 February: BRATISLAVA, Czech tug from the north with three barges of coke and scrap iron.
- KALOCSA, tug from the south with three barges of coal or coke.
- q. 5 February: Two Russian tugs and ARDEAL, Romanian tug; each with two barges of iron ore from the south.
- r. 6 February: ESZTERGOM, tug from the south with barges of iron ore.
- BEELE, tug from the north with three barges of building material.

SECRET/

25X1

25X1

25X1X

SECRET

-6-

- s. 8 February: Two Russian tugs from the south, each with two barges of iron ore.

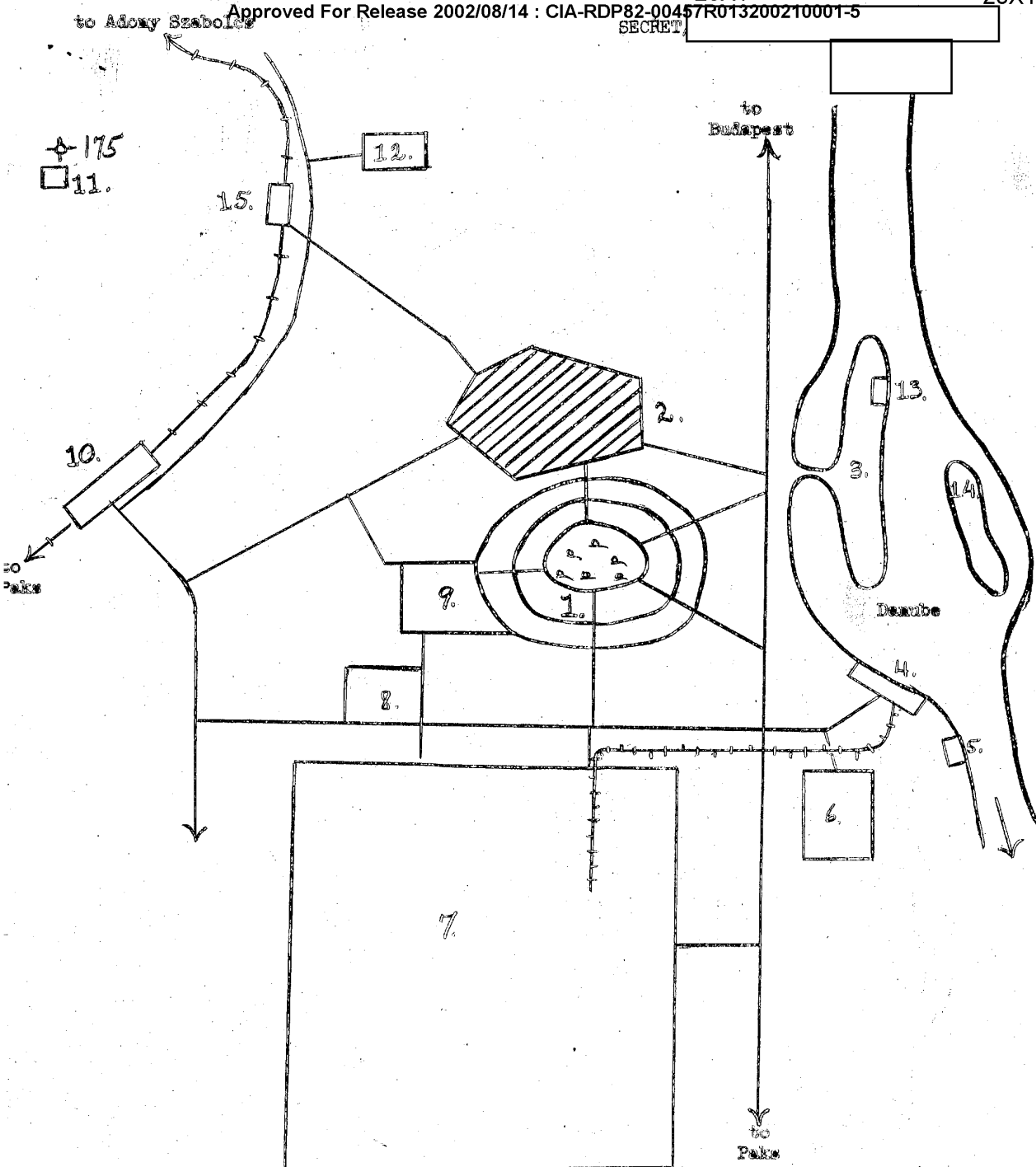
SZTALIN MARSALL, tug from the north with four barges of scrap iron.

- t. 9 February: A Bulgarian and two Russian tugs from the south, each with two barges of iron ore.

Encl. Sketch map of Szatlinváros area, 1 page.

SECRET

25X1



Legend

1. Szekesfehervar, the new city. The layout is merely indicated. The town consists of many streets laid out in rings. Buildings are all three-storied and well apart, admitting good light and air. Between the houses trees and park areas are being put in.
2. The former village of Dunapentele.
3. Szekes-Sziget, where the new harbor installation and water intake system are being built.
4. Temporary harbor.
5. Water installation for the industrial works. Pumping station.
6. Electrical generating plant.
7. Foundry.
8. Sport stadium.
9. Residential area for Party functionaries.
10. New freight station.
11. Cisterns for the town water-works.
12. Housed barracks, newly built.
13. Passenger quay for passengers coming from Budapest and Mohacs by water.
14. Balazs-sziget (Island).
15. The old Dunapentele railroad station.

Normal gauge railroad
 Narrow gauge railroad
 Streets and roads